



Schools and Libraries Division

Jan 11, 2012

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WEST CONTRA COSTA UN SCH DIST
Telephone:
Application Number

(209) 8340556
792679

Response Due Date: January 26, 2012

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2011 Form 471 Applications to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2011 Form 471 Application. To complete our review, we need some additional information. The information needed to complete the review is listed below.

I. Ineligible Maintenance for P1 Equipment

Based on documentation that you provided during the review of your FY 2011 Form 471 792679, we have determined that FRN 2188011 includes ineligible items. According to Program rules, USAC is unable to fund ineligible products or services. The charges associated with ineligible items must be identified and removed from the funding request. Listed below are the ineligible items and their associated costs:

Maintenance for P1 Equipment \$43,907.05 per month

Please confirm that you agree with the cost allocation and that the ineligible item(s) should be removed from the FRN. _____ Yes or X No

What to do if you disagree

Option I

If you do not agree with the cost allocation, you must provide an alternative cost allocation method or formula identifying the cost(s) associated with the ineligible item(s). Such a cost allocation must be based on tangible criteria and reach a realistic result. For further information, see "Cost Allocation Guidelines for Products and Services" located in the Reference Area of the USAC Web site at:
<http://www.usac.org/sl/applicants/step06/cost-allocation-guidelines-products-services.aspx>.

Option II

If you do not agree with our eligibility assessment of your product(s)/service(s), you must provide third party documentation (e.g., vendor bill, contract, service agreement, etc.) supporting your position and showing why this product/services is eligible. Please keep in mind that your supporting documentation should be the documentation or data used to prepare your Form 471 application.

The annual cost for the AT&T Opt-e-MAN solution includes routers and other on premise priority 1 equipment & the annual maintenance associated with that equipment. (detail of the equipment and service previously provided as attachment **WAN P1 bundle equipment Pricing Schedule**) AT&T's Monthly service fee for the Internet access includes the terminating equipment & ongoing maintenance. AT&T retains ownership of the router and router maintenance responsibility.

Per SLD website @ <http://www.usac.org/sl/applicants/step06/wide-area-network-fact-sheet.aspx> , "The charges of the service provider can include a separate maintenance fee." It also states "if the on-premise equipment is an integral part of an end-to-end Priority 1 service (i.e., Telecommunications Services or Internet Access), recurring or non-recurring charges for that service may include the cost of on-premise equipment used by the provider to provide that Priority 1 service."

The on-premise Priority 1 equipment and associated maintenance is an integral component of the Opt-e-MAN Telecommunications service provided by AT&T. Responsibility for maintaining the equipment rests with the AT&T, but the cost associated with such maintenance is included with the cost of the telecommunications service provided to the District.

Option III

You may request to remove the cost associated with the ineligible item(s) from this FRN and place this cost in a new FRN (we refer to this process as "splitting an FRN"). Would you like to split the FRN? _____ Yes or ____ No.

If yes, you must provide us with the information to create the new FRN by doing the following:

- o Modify the current FRN information found in Block 5 of your Form 471 by reducing it in order to remove the ineligible cost.
- o Complete Block 5 information for the original FRN (pre and post-split FRN).
- o Provide the Block 5 information for the original FRN (pre and post-split FRN). The post-split FRN will be a request for the amount of the original FRN with the ineligible cost removed
- o Complete Block 5 for the new FRN using the form below. The new FRN will be a request for the ineligible cost. This FRN will then be denied because it represents the cost associated with the ineligible product/service.

You may provide this information sending a copy of the original FRN and two (or more) completed Form 471, Block 5 filled out showing the information for the FRNs as you wish it to be after the split is completed.

Please complete the blank Form 471, Block 5 below. For additional instructions to fill out your Block 5 refer to Form 471 filing instructions at <http://www.usac.org/sl/tools/required-forms.aspx>.

Entity Number _____ **Applicant's Form Identifier**

Contact Person _____ **Phone Number**

<p>Block 5: Discount Funding Request(s) Instructions: Use one Block 5 page for EACH service (Funding Request Number) Block 5, page ___ of ___ which you are requesting discounts. Make as many copies of this page as needed, and number the completed pages to assure that they are all processed correctly.</p>		
<p>10 <input type="checkbox"/> If this is a duplicate Funding Request (e.g., of an FRN that is not yet approved, under appeal, etc.), check this box and enter the original FRN in the space provided:</p>		
<p>11 Category of Service (only ONE category should be checked)</p> <p>PRIORITY 1</p> <p><input type="checkbox"/> Telecommu- nications Service</p> <p><input type="checkbox"/> Internet Access</p> <p>PRIORITY 2</p> <p><input type="checkbox"/> Internal Connections Other than Basic Maintenance</p> <p><input type="checkbox"/> Basic Maintenance of Internal Connections</p>		<p>23 Calculations</p>
12 Form 470 Application Number	<p>Recurring Charges</p>	<p>A. Monthly charges (total amount per month for service)</p>
13 SPIN – Service Provider Identification Number		<p>B. How much of the amount in A is ineligible?</p>
14 Service Provider Name		<p>C. Eligible monthly pre-discount amount (A minus B)</p>
		<p>D. Number of months service provided in funding year</p>
15a <input type="checkbox"/> Check this box if this Funding Request is for non-contracted tariffed or month-to-month services.	<p>Non-Recurring Charges</p>	<p>E. Annual pre-discount amount for eligible recurring charges (C x D)</p>
15b Contract Number		<p>F. Annual non-recurring charges</p>

15c <input type="checkbox"/> Check this box if this Funding Request is covered under a master contract (a contract negotiated by a third party, the terms and conditions of which are then made available to an eligible entity that purchases directly from the service provider). 15d <input type="checkbox"/> Check this box if this Funding Request is a continuation of an FRN from a previous funding year based on a multi-year contract. If so, provide that FRN here: <div style="border-bottom: 1px solid black; width: 100px; margin-left: 20px;"></div>		G. How much of the amount in F is ineligible?
16b <input type="checkbox"/> Check this box if there are multiple Billing Account Numbers and attach a complete list of those numbers to this page.		H. Annual eligible pre-discount amount for non-recurring charges (F minus G)
17 Allowable Vendor Selection/Contract Date (mm/dd/yyyy) (based on Form 470 filing)		
18 Contract Award Date (mm/dd/yyyy)	Total Charges	I. Total funding year pre-discount amount (E + H)
19 Service Start Date (mm/dd/yyyy)		
20a Service End Date (mm/dd/yyyy)		J. Discount from Block 4 Worksheet
20b Contract Expiration Date (mm/dd/yyyy)		K. Funding Commitment Request (I x J)
21 Description of This Service:		<u>Attachment</u>
22 Entity/Entities Receiving This Service:	a. If the service is site-specific (provided to one site and not shared by others), list the Entity Number of the entity from Block 4 receiving this service: b. If the service is shared by all entities on a Block 4 worksheet, list the worksheet number (e.g., 1):	

II. Modification

Based on the documentation that you provided during the review of your FY 2011 Form 471 application **792679**, we intend to modify FRN **2188011** to **change the pre-commitment funding request**. **The pre-commitment funding request** has been changed from **\$253,436.80 per month** to **\$209,529.75 per month**.

We are providing you with an opportunity to confirm that your original response(s) that was the basis for this change is correct. Please confirm that this change(s) listed above should be undertaken. _____ Yes or **X** No.

If the change should not be undertaken and you have alternative information, please provide documentation that supports your position. Please keep in mind that your supporting

documentation should be the documentation or data used to prepare your Form 471 application. Examples of supporting documentation are contracts, vendor quotes, vendor bills, invoices, etc.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Carla Yates

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